

**SUPERIOR COURT OF THE STATE OF VERMONT
WASHINGTON COUNTY**

FILED
2007 JUN 29 P 2:50

CHOOSECO LLC

Plaintiff

v.

LEAN FORWARD MEDIA LLC

Defendant

CASE NO.

488-6-07 Wncv

1:07-cv-159

COMPLAINT FOR DECLARATORY RELIEF

Parties

1. Plaintiff, Chooseco, LLC, is a Vermont Limited Liability Company, with an address at 4477 Main Street, Waitsfield, VT 05673, Washington County.
2. Defendant, Lean Forward Media LLC is a Delaware Limited Liability Corporation, with an address 321 South Beverly Drive, Suite Z, Beverly Hills, CA 90212-4303, Los Angeles County.

Jurisdiction and Venue

3. Plaintiff and Defendant entered into a Option and License Agreement on July 2, 2003, which was revised November 29, 2003, as further amended May 7, 2004 (the "Agreement"), all attached as Exhibit 1.
4. The Agreement provides in ¶12 "This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Vermont for contracts entered into and fully performed within the State of Vermont. The parties do hereby consent to jurisdiction and venue in a court of competent jurisdiction in the State of Vermont."
5. The Parties have accordingly agreed to the Jurisdiction and Venue of the courts of the State of Vermont.

Background

6. Plaintiff is the owner of the famous children's book series "CHOOSE YOUR OWN ADVENTURE" and certain trademarks and copyrights related thereto. Plaintiff, and its predecessors, have sold in excess of 250 million copies of CHOOSE YOUR OWN ADVENTURE books, including the several sub-series that have been developed upon the essential premise of an interactive story.

7. Defendant approached Plaintiff to license the rights to its stories, and its trademarks to essentially develop interactive DVD products. Following that, Plaintiff and Defendant entered into the Agreement.

8. On or about August 9, 2004, Defendants forwarded to Plaintiff a check in the amount of \$100,000.00 consisting of payment of \$50,000.00 in exercise of the option provided in the Agreement ¶2b. and \$50,000.00 for the payment of an advance Royalties for the first product to be developed under the Agreement as provided in ¶6.a.

9. The Agreement provides in ¶12 "At any time after July 1, 2007 and continuing through the expiration of the Initial Term, if ChooseCo has not been paid a cumulative total of \$200,000 or more in Advances and Royalties, ChooseCo may, upon written notice thereof to LFM ("ChooseCo's Termination Notice"), terminate LFM's right to develop additional titles into Products."

10. Counsel for Defendants sent a letter to Counsel for Plaintiff dated June 27, 2007, and first received on June 28, 2007 (attached as Exhibit 2), alleging among other things, that it intends to pay \$100,000.00 in order to satisfy the minimum royalties provided in ¶12 of the Agreement.

DECLARATORY RELIEF SOUGHT

11. Plaintiff repeats and realleges paragraphs 1 through 10 as if more fully set forth herein.

12. Plaintiff seeks a declaration from this Court that for Defendants to satisfy the terms of the Agreement, that Defendant must pay \$150,000.00 in Advances and Royalties in order to continue its right to develop new products under the Agreement.

13. Plaintiff seeks a declaration from this Court that Defendants have failed to satisfy the minimum payment requirements under the Agreement by not having paid \$150,000.00 in Advances and Royalties.

14. Plaintiff further seeks a declaration from this Court that Defendant would have had to have: i) provided Plaintiff with the "right to review any new and original stores developed by Defendants along with changes to pre-existing works in advance of the commencement of production of Home Entertainment rights products" as provided in ¶3.a.iii.; ii) would have had to have commenced "voice-over recording" of the product as provided in ¶6.a. in order to have satisfied its requirement to pay any advances ; and, iii) that since Defendants have not done either i or ii as explained in this paragraph of the Complaint, that Defendants have not, nor cannot simply pay \$150,000.00 in Advances and Royalties in order to retain their rights to develop new products under the Agreement.

15. As of this date, Plaintiff has not received any money from Defendants beyond the original \$100,000.00 as mentioned in paragraph 10 of this Complaint.

16. Upon information and belief, Defendants do not have any additional products in production, or pre-production that would satisfy its burden and performance obligations under the Agreement.

17. Plaintiff herewith provides notice to Defendant consisting of "Chooseco's Termination Notice" to terminate Defendants' right to develop additional titles into Products as provided in ¶12 of the Agreement.

18. Defendant claims it is entitled to enforce certain provisions in the Agreement, namely an ongoing right to continue to develop new products. Plaintiff disputes Defendant's claim to continue its right to develop new products as Defendant has failed to meet the minimum performance obligations specifically provided for under the Agreement. Accordingly, the parties rights, duties and obligations under the Agreement are in dispute, and Plaintiff requests that this Court make an appropriate determination of such rights as they exist under the Agreement.

WHEREFORE, Plaintiff prays for judgment as follows:

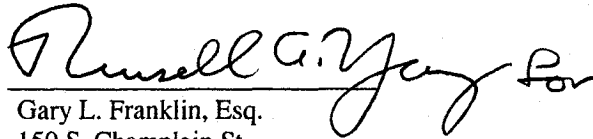
- A. That Defendant's right to develop new products under the Agreement is terminated;
- B. Plaintiff's cost of suit incurred herein; and,
- C. Such other and further relief as the Court may deem just and proper.

DATED: June 29, 2007

Respectfully submitted:
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By:

A handwritten signature in cursive script, appearing to read "Gary L. Franklin".

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